

Please replace the paragraph beginning on page 12, line 6, with the following rewritten paragraph:

--As the liquid-crystal polyester (B) of the invention, known polyesters called "thermotropic liquid-crystal polymers" can be used. Examples thereof include thermotropic liquid-crystal polymers having, as a main constitutional unit, p-hydroxybenzoic acid and polyethylene terephthalate, thermotropic liquid-crystal polyesters having as a main constitutional unit, p-hydroxybenzoic acid and 2-hydroxy-6-naphthoic acid and thermotropic liquid-crystal polyesters having, as a main constitutional unit, p-hydroxybenzoic acid, 4,4'-dihydroxybiphenyl and terephthalic acid. As the liquid-crystal polyester (B) to be used in the invention, although no particular limitation is imposed on them, those having the following structural units (i) and (ii), and optionally (iii) and/or (iv) are preferred.-

Please replace the paragraph beginning on page 13, line 16 to page 14, line 4:

--The preferred structural formula (iii) is a structural unit prepared from ethylene glycol, hydroquinone, 4,4'-dihydroxybiphenyl, 2,6-dihydroxynaphthalene or bisphenol A, of which that from ethylene glycol, 4,4'-dihydroxybiphenyl or hydroquinone is more preferred, with that from ethylene glycol or 4,4'-dihydroxybiphenyl being particularly preferred. The preferred structural formula (iv)

is a structural unit prepared from terephthalic acid, isophthalic acid or 2,6-dicarboxynaphthalene, of which that from terephthalic acid or isophthalic acid is more preferred.--

Please replace the paragraph beginning on page 29, line 6 to page 30, line 12:

--Methods for synthesizing the polyhedral oligomeric silsesquioxane are described, for instance, in "J. Am. Chem. Soc. 1965, 87, 4313" (Brown et al.), "J. Am. Chem. Soc. 1989, 111, 1741" (Feher et al.) and "Organometallics 1991, 10, 2526" (Feher et al.). According to one of these methods, the polyhedral oligomeric silsesquioxane is obtained in the form of crystals by reacting cyclohexyltriethoxysilane and tetramethylammonium hydroxide in the presence of a catalyst in a solution of water and methylisobutylketone. Further, "Chem. Commun., 1998, 1279 (Feher et al.)" describes that a trisilanol or ditrisilanol containing compounds represented by formulas (10) to (12) is simultaneously formed during the production of a completely condensed polyhedral oligomeric silsesquioxane, or is synthesized by partially cracking a completely condensed polyhedral oligomeric silsesquioxane using a fluoro acid or tetramethylammonium hydroxide. To analyze and identify the structure of a polyhedral oligomeric silsesquioxane, for example, an X-ray structure analysis was conducted according to the method described in "Åkiv Kemi, 16, 209 (1960)" (Larsson et

al.). Further, as described for instance in "Inorgan. Chem. 2, 189 (1963)" (Vogt et al.), a polyhedral oligomeric silsesquioxane can be simply identified using an infrared absorption spectrum or NMR.--

Please replace the paragraph beginning on page 35, line 22 to page 36, line 18:

--In the melt-kneading method with the twin-screw extruder, it is preferred to set the screw rotation speed (N) to be from 200 to 600 rpm and the amount of heat exposure ( $\alpha$ ) to be 50 or less, wherein the amount of heat exposure ( $\alpha$ ) =  $D^3 \times N/Q \times 10^{-4}$ ;  
D (mm) = diameter of the screw of the twin-screw extruder;  
N (rpm) = screw rotation speed; and  
Q (kg/hr) = extrusion rate of the resins from the extruder.

In the present invention, the amount of heat exposure ( $\alpha$ ) is preferably 50 or less, more preferably 45 or less, especially preferably 36 or less. When the amount of heat exposure ( $\alpha$ ) exceeds 50, damage of a polyphenylene ether by heat increases, and the balance of impact resistance, chemical resistance and fluidity is impaired. For example, from the viewpoint of reducing the amount of heat exposure ( $\alpha$ ) and improving productivity, it is preferable that the extrusion rate (Q) of the extruder equipped with a screw having a specific diameter (D) is higher. However, the screw rotation speed (N) is preferably 200 to 600 rpm, more preferably 250 to 600 rpm, most preferably 280 to 600 rpm. Although the amount of heat

exposure ( $\alpha$ ) becomes smaller as the screw rotation speed (N) is slower, a screw rotation speed (N) that is too slow tends to cause insufficient mixing and insufficient impact strength of the composition. Although the screw diameter (D) of the twin-screw extruder depends on the scale of the extruder to be used, a screw having a diameter of 10 to 200 mm is usually used.--

Please replace the paragraph beginning on page 50, line 11 to page 51, line 1:

--Pellets were obtained by melt-kneading the polyphenylene ether (PPE-1 to 8) and the liquid-crystal polyester (LCP-1 to 3) at a ratio (parts by weight) shown in Table 1 using a twin-screw extruder ("ZSK-25", manufactured by Werner & Pfleiderer Corp.; D=25mm, L/D=42), which was set at 270 °C at ZONE 1 (on the feeding side), and 310 °C at ZONES 2 to 7 and a die head, and which was equipped with a vent port, at a screw rotation speed (N) of 300 rpm and at a extrusion rate of 14.6 kg/hr. The obtained pellets were molded in the manner mentioned above and physical properties of the molded articles were evaluated. Further, as described above, using strip specimens having a thickness of 3.2 mm, the weight ratio of the polymer having a molecular weight of 20,000 or less contained in the polyphenylene ether resin and the molecular weight distribution ( $M_w/M_n$ ) of the polyphenylene ether resin were measured. The molecular weight obtained and evaluation results of physical properties of the composition are shown together in Table 1. In the table, "HIPS" and "GF" indicates high impact polystyrene ("H9405", manufactured by A & M Styrene Co., Ltd.,) and glass